

Submission on the Crown Minerals Amendment Bill 2022

January 2023

Introduction

The Aggregate and Quarry Association (AQA) is the industry body representing Construction Material companies which produce an estimated 50 million tonnes of aggregate and quarried materials consumed in New Zealand each year.

Funded by its members, the AQA has a mandate to increase understanding of the need for aggregates to New Zealanders, improve our industry and users' technical knowledge of aggregates, and assist in developing a highly skilled workforce within a safe and sustainable work environment.

We make the following submission in relation to the proposed Crown Minerals Amendment Bill 2022.

General comments

The Crown holds significant reserves of minerals, and the Crown Minerals Act plays an active role in meeting the Government's goals through promoting, encouraging and enabling mineral use, clearly with appropriate caveats. The Government released its resource strategy, Responsibly Delivering Value - A Minerals and Petroleum Resource Strategy for Aotearoa New Zealand: 2019–2029, in November 2019. It included a clear statement that;

“Projections indicate that the population of New Zealand could grow as high as between 5.3 and 7.9 million by 2068. To meet the needs of this growing population we will require more housing, more energy, and expanded infrastructure. The minerals and petroleum sector has a critical role to play in building this future.

We need to make sure we have the aggregate (crushed rock and stone) required, or alternative replacement material, to build the foundations of our houses and roads.”

It is therefore vital that local aggregate resources throughout the country are identified, understood and effectively managed.

Amendments to Parts 1 and 1A of Principal Act

Minerals such as aggregates are key to the functioning of our economy. It is therefore critical that the Crown Minerals Act retains its emphasis on promoting efficient mineral use in order to ensure that the Government's goals are achieved.

The use of the word “**promote**” in the purpose statement is a standard feature of several New Zealand Acts of Parliament, governing a range of sectors and activities. Just a handful of these relevant to our sector include the Conservation Act, the Resource Management Act, the Energy Efficiency and Conservation Act, the Exclusive Economic Zone and Continental Shelf Act.

The definition of “**promote**” is to support or actively encourage (a cause, venture, etc); further the progress of (Oxford Dictionary). Aggregate is critical to building our economy. It forms the foundation of buildings and makes up 75–90% of the material in roads and infrastructure. The Government has stated that it “wants to build a stronger understanding of the potential demand and supply of aggregate in NZ to assist in the planning for aggregate to support a more productive, sustainable and inclusive economy”. This surely means that the Crown Minerals Act must support, actively encourage or further the progress of aggregates to support the Government's Resource Strategy.

Rather than replace the word “**promote**” with “**manage**” in the purpose statement within the Crown Minerals Act, the word promote should be retained and the wording in Clause 4 (1) should be “**promote and manage**”.

Section 25 amended (Grant of Permit)

At present there are significant delays in the processing of permits which can delay projects by years while the applicant waits for a permit. This adds significant cost to the applicant and is an impediment to investment in capital and infrastructure projects.

We suggest adding an additional clause 3A to Section 25 (Grant of Permit) as follows:

(3A) A mining or exploration permit must be granted or refused within 6 months of receiving the application.

Clause 29C - Minister may have regard to feedback from iwi or hapū when considering application

The Crown is retaining exclusive decision-making rights over the use of minerals, including aggregates, considering jobs, demand for aggregates and the transition to a carbon neutral economy. It is therefore unclear what value would be gained through additional consultation with iwi or hapū during the permit application phase.

Māori have significant interests in the resource sector and in retaining access for historical, cultural and economic reasons.

We currently enjoy constructive relationships with iwi and hapū, both in relation to private land and Crown mineral interests. Māori work and have business interests in the aggregates sector. The percentage of Māori employed in mining and quarrying is much higher – almost twice as high as the equivalent figure for the population as a whole.

Engagement is adequately covered by the Resource Management Act processes, and this is the most appropriate regulation to deal with iwi and hapū involvement in the decision-making process.

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